GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2979
ANSWERED ON:18.12.2008
NAVRATNA COMPANIES
Owaisi Shri Asaduddin

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether several Navratua companies have asked for permission From the Government to raise funds from the equity market:

(b) if so the ctetailsihereof;

(c) whether in view of the decision of the Government not to allow these companies to raise funds from public is likely to hit hard the expansion plan of these companies;

(d) if so, the rationale behind rejecting offer of these companies;and

(e) the steps taken or being taken by the Government to ensure that these companies do not lose their navratna status?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI RAGHUNATH JHA)

(a) to (d): The Government has enunciated its policy towards Public Sector in the National Common Minimum Programme (NCMP) which inter-alia provides that the Government will retain existing `Navratna` companies in the public sector while these companies raise resources from the capital market. The NCMP further provides that Public sector companies will be encouraged to enter the capital market to raise resources and offer new investment avenues to retail investors. The Government has decided, in principle, to list large, profitable Central Public Sector Enterprises (CPSEs) on domestic stock exchanges.

(e) : The conferment/divestment of Navratna status to CPSEs is decided on the basis of laid down criteria including the composite score calculated for the six selected performance parameters and on the recommendations of Apex Committee.The Government has also empowered the Boards of Navratna CPSEs to exercise enhanced powers in the areas of capital expenditure, investment in joint ventures/subsidiaries, human resources management,etc.